

April 9, 2007

Senate Taxation Committee
State Capitol, Room 405
Helena, MT 59620

RE: **Support House Bill 529**

Honorable Chairman and Members of the Senate Taxation Committee:

Stillwater Mining Company would like to go on record in support of House Bill 529 for the following reasons.

- Reductions in the business equipment tax rate have been beneficial to the Company in increasing it's workforce to more than 1,700 employees.
- In addition to individual income taxes all employees pay, Stillwater Mining Company currently pays over \$11 million of property and other taxes in Montana per year. This is in contrast to net income of \$7.9 M in 2006 and a net loss of \$13.9 M in 2005.
- In an effort to remain **sustainable**, Stillwater Mining Company is transforming its mining methods to lower production costs, has created a miner training program at a cost of \$5M per year, and initiated an international marketing strategy for palladium through the creation of the Palladium Alliance International to bolster the demand for the metal.
- Workers compensation and health insurance costs continue to increase and threaten the sustainability of the job creation experienced over the past 20 years of operations at Stillwater Mining Company.
- Reductions in the business equipment tax will help with the cost of training and maintaining the workforce, transforming mining methods, marketing palladium, covering workers compensation and health insurance increases all in support of the long term sustainability of Stillwater Mining Company.
- House Bill 529 retention, expansion and sustainability of existing businesses in Montana. This is a significant component of a sound economic development strategy for the State.

Stillwater Mining Company supports House Bill 529 to reduce the tax rate for class eight business equipment taxes.

Sincerely,

John Beaudry
Public Affairs Manager
Stillwater Mining Company

Cc: Governor Brian Schweitzer
Evan Barrett, Chief Business Officer